

# IntelliChief Case Study: Manufacturer Streamlines Purchase-to-Pay, Saves Substantially



**COMPANY:** Landoll

**ERP:** Infor

## GROWING PAINS

When Don Landoll started his welding and blacksmith shop back in 1963, he had no idea his three-person company would one day become a 550+ employee operation serving customers worldwide. A leader in innovative design, world class manufacturing and global marketing of quality products and services for Agriculture, Transportation, Material Handling, OEM, Military and Government sectors, Landoll Corporation is a success story like no other.

A constant detriment to the company's continued growth was the paper "processes" that grew geometrically with the increase in business volume, severely hindering productive growth. "When I looked at the size and scope of the business process that we had become captive, I decided we had to develop a paperless business model, explains John C. Schmidt, the Group Manager for Landoll's Purchasing, OEM/Government and Transportation businesses. "The point to be made is this: Buyers should be focusing on the buying process, developing quality vendors with the ability to deliver products on time at competitive prices, not shuffling paper." Thus, began the search for a solution, which culminated in choosing IntelliChief for Landoll's Paperless Process Management initiative.

## PAPERLESS PURCHASING

IntelliChief was implemented to handle Landoll's Purchase-to-Pay process beginning from the moment a Purchase Order is created, through receiving of the materials ordered, and until the vendor Invoice is received and paid.

When a Purchase Order is created on Landoll's Infor ERP application, it is merged with an electronic form that is not only faxed or emailed automatically based on the vendor's preference, but is also electronically archived in IntelliChief, which saves paper usage, and time for filing and later retrieving the PO when needed.

"In the past, we used 15 filing cabinets (current documents) and a warehouse (past documents) to store our purchasing documents in. Presently, we have no filing cabinets nor are we moving any files to the warehouse," states Schmidt. Two full time employees were required to manage the filing, searching and retrieving of Purchase Orders,

quotes, and vendor related information. Today those employees are working elsewhere in the company and making a "real" productive contribution.

Another substantial benefit came in the form of IntelliChief's Print Capture Driver. It is accessible from any PC application in the File-Print option. Rather than printing the document, it captures the opened document and transforms it into an electronic image that is archived in IntelliChief.

Order Acknowledgments are a good example of this process. If a buyer gets an email response from a supplier stating "We have received your PO and we will ship as expected by the requested date," it is considerably more efficient to print to IntelliChief and save that Acknowledgment in the program, instead of filing it in a drawer with the PO. In the future, if a problem with the shipment occurs, the buyer can pull up the PO within IntelliChief and see all related documents, and determine the source of the problem. When the vendor is contacted, all the information is electronically available on screen, which speeds up problem resolution. The same process is applied to vendors, quotes and pricing. Capturing it all in IntelliChief is a significant time saver.

When materials are received, a receiving document is printed out containing a barcode. The receiving document is scanned together with the Bill of Lading and related Packing Slips into IntelliChief, and is automatically indexed and archived. The barcode helps with the auto-indexing and the program associates these receiving documents with the original Purchase Order, creating a full transactional record that can be electronically retrieved at any time. Once the receiving document is pulled from the imaging database, the user can easily view the originating PO with the click of the mouse. This electronic document linking is a key benefit to using IntelliChief.

The greatest value realized with IntelliChief is in the ability to handle purchasing discrepancies. It's common for orders to have items that were back-ordered or shipped incorrectly. IntelliChief's workflow can expedite resolution of these issues in an efficient manner. When there's a discrepancy in the Packing Slip, once scanned into the program, it can be electronically routed to the specific buyer. A very easy and cost-effective process when compared to the "old paper processes."

## SPEEDY PAYABLES

According to Susan Slater, AP Supervisor, IntelliChief offered many viable solutions for the payables process. In the past, Invoices that arrived via mail, fax or email would eventually end up being printed, sorted, marked up and distributed by the AP clerks. This manual process was done on a daily basis, dealing with an average of 100 Invoices per day and requiring many hours of AP staff time.

If an Invoice was questionable, the AP clerk would send a photo copy of the Invoice to the appropriate buyer for resolution, thus holding-up processing until it was returned. An MS Excel spreadsheet was kept as a log to track the Invoices that were sent for resolution, and also for those that had been sent to managers for approval.

This approval process resulted in the Invoices being handled four to five times, resulting late payment of Invoices, or not allowing Landoll to receive the early pay discount offered by vendors. Once the Invoice was approved and a check was cut, it was then matched to a duplicate copy of the check with the Invoice and filed in the filing cabinets, ordered by vendor name.

Those were the old days. IntelliChief eliminated these cumbersome processes and lost savings. Now Invoices that arrive via fax are electronically captured and are routed to the appropriate AP Clerk's electronic inbox. Mailed Invoices are processed and scanned by the Administrative Assistant, who then indexes them with the appropriate vendor and PO number. IntelliChief's workflow process routes the Invoice to the appropriate AP Clerk's inbox. Emailed Invoices are captured with the program's Print Capture Driver, so that with a simple "File-Print" command from the user's email client, the email and attachment can be sent to the imaging database. This entire electronic procedure for capturing and routing Invoices helps speed up the process, especially when taking advantage of early payment discounts is of critical importance.

With the help of IntelliChief, Invoices are now sorted to determine which ones to pay first. Attempting this with the old paper system proved difficult and inefficient.

"IntelliChief allowed us to move from duplicate printed checks to laser cut checks that are archived in the program, giving us substantial cost savings," explains Slater. "The spool data from our Infor ERP is merged with the check form and printed, making only one copy.

"What used to be a second copy is now an electronic check form which is then electronically matched against the vendor number and the Purchase Order, and archived in IntelliChief, automating and replacing what we previously did by hand."

If there is a need to review past transactions or any documents associated with it, IntelliChief has a powerful search engine/screen that can retrieve the required information by the vendor number, PO number, Invoice number, etc., with the information instantly accessible.

The filing cabinets in the AP Department are now being used for other purposes, with filing time now directed to more productive purposes.

## NEXT STEPS

Thanks to IntelliChief, Landoll Corporation now operates a paperless Purchase-to-Pay process, and more recently has also implemented the program to handle their Order-to-Cash operations, which has enabled everyone from Sales and Order Processing to Invoicing and Collections to go paperless.

Landoll Corporation looks forward to continuous growth and expansion of its business; now, without having to deal with the infamous "paper monster" as their obstacle.

## CONTACT US TODAY

To learn more about how Landoll Corporation and other organizations are taking advantage of IntelliChief to eliminate paper, gain efficiency and save money, contact us today.

IntelliChief, LLC  
813.971.9500  
sales@intellichief.com  
www.intellichief.com